

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

RECEIVED

MAR 31 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

OXY USA Inc.

16696

3a. Address

P.O. Box 50250, Midland, TX 79710-0250

3b. Phone No. (include area code)

432-685-5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1833 FSL 530 FWL NWSW(L) Sec 28 T23S R29E

5. Lease Serial No.

NMNM86024

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

Cypress 28 Federal #2H

9. API Well No.

30-015-37331

10. Field and Pool, or Exploratory Area

Laguna Salado Bone Spring, S.

11. County or Parish, State

Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Spud, Set</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Csg & Cmt</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

See Attached

ACCEPTED FOR RECORD

MAR 28 2010

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

222 4-1-10

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Stewart

Title

Sr. Regulatory Analyst

Date

3/18/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CYPRESS 28 FEDERAL #2

SPUD 17-1/2" SURFACE HOLE @ 04:00 2/18/10 DRILL TO 425'.

RUN 13-3/8", CASING 48 # , H-40, STC FROM SURFACE TO 425'.

PUMP 460 SX (144 BBL) CL C CMT W/ 4% BENTONITE + 2% CACL2 + .125#/SX POL-E-FLAKES @ 13.5 PPG, 1.75 YIELD, CIRCULATE 80 BBL, 256SX CEMENT TO SURFACE. PLUG DOWN @ 15.15 2/18/10

INSTALL 13-3/8" 5K X 13 5/8" 10K DSA, NIPPLE UP BOPE, 13-5/8" 10K BOP's. INSTALL HYDRAULIC LINES, FUNCTION TEST, INSTALL CHOKE AND KILL LINES, 4' LOOP AND TURNBUCKLES, ROTATING HEAD TESTED ANNULAR TO 250 PSI LOW AND 2500 PSI HIGH FOR 10/10 MINUTES. TESTED BLIND RAM, 2 SETS 5" RAMS, MANUAL CHOKE VALVE, HCR CHOKE VALVE, 2 MANUAL KILL LINE VALVES, KILL LINE CHECK VALVE, KILL LINE AND REMOTE KILL LINE, MANUAL TOP DRIVE FOSV, HYDRAULIC TOP DRIVE FOSV, STAND PIPE, STAND PIPE VALVE, AND 2 - 4" MUD PUMP VALVES TO 250 PSI AND 5000 PSI FOR

DRILL 12-1/4" INTERMEDIATE HOLE TO 2932' 2/20/10.

RUN 9-5/8" INTERMEDIATE CASING 47# L-80 BTC & SET @ 2922'

PUMP 720 SX (269 BBL) CL C CMT W/ 5#/SX GILSONITE + .125#/SX POL-E-FLAKES + 5% SALT @ 12.4PPG, 2.1 YIELD FOLLOWED BY 200 SX (48 BBL) CL C CMT W/ 1% CACL2 @ 14.8PPG, 1.34 YIELD. CIRCULATED 94 BBLS, 251SX LEAD CEMENT TO SURFACE. WOC 24HRS

TEST BOP EQUIPMENT 250 PSI LOW AND 5000 PSI HIGH 10 MIN EACH

DRILLED 8-1/2" PRODUCTION HOLE TO 10272' M 7784' V 3/10/10

RUN 5-1/2" 17# L-80 LTC CSG & SET @ 10262' W/ DV @ 5007'. & POST @ 2986'.

CEMENT 1ST STAGE W/ 10 BBL WG19 GEL W/ RED DYE FOLLOWED BY 1530 SX (433 BBL) CL H CEMENT @ 13.2 PPG, 1.59 YIELD. HAD FULL RETURNS DURING CEMENT JOB, OPEN DV TOOL AND CIRC, LOST RETURNS AFTER 300BBLS, NO CMT CIRC TO SURF. BLM NOTIFIED, OK TO CONTINUE, MUST RUN CBL CEMENT 2ND STAGE W/ 20 BBL WG19 GEL W/ RED DYE FOLLOWED BY 520 SX (225 BBL) IFC CMT @ 11.9PPG, 2.43YIELD W/ NO RETURNS DURING CEMENT JOB. DROP POST TOOL OPENING BOMB, WAIT 15 MIN TO FALL, USING HALLIBURTON PUMP TRUCK RAISED PRESSURE TO 2200 PSI TO INFLATE EXTERNAL CASING PACKER AND OPEN DV TOOL, AND ATTEMPT TO CIRCULATE WITH NO SUCCESS (PUMPED 60 BBLS).

NOTE: NOTIFIED BLM OF LOST CIRCULATION DURING CEMENT AND DISCUSSED PLAN FORWARD TALKED TO BOB HASKINS AND WESLEY (ENGINEER) - THEY O.K.'D PLAN FORWARD. WOC USING RIG CEMENT 3RD STAGE W/ 20 BBL WG19 GEL W/ RED DYE FOLLOWED BY 330 SX (143 BBL) IFC @ 11.9 PPG, 2.43YIELD FOLLOWED BY 100 SX (24 BBL) PP CMT @ 14.8 PPG, 1.34 YIELD. NO RETURNS DURING CLEAN OUT STEEL PIT. RELEASE RIG AT 06:00 HRS 3/13/10